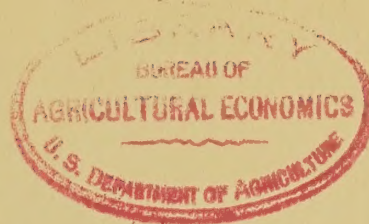


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U. S. Department of Agriculture
Agricultural Adjustment Administration
Southern Division



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PROCEDURE AND INSTRUCTIONS FOR STATE AND COUNTY COMMITTEES
FOR DETERMINING ELIGIBILITY FOR WHEAT LOANS AND COMPLETING
WHEAT LOAN DOCUMENTS UNDER THE 1938 PROGRAM

INTRODUCTION

The Agricultural Adjustment Act of 1938, as amended, provides that loans on wheat will be made available to cooperators in the Agricultural Conservation Program in any marketing year when the farm price of wheat is below 52 percent of the parity price or when the federal crop estimate for wheat for July indicates a production in excess of the normal year's domestic consumption and exports.

The Act also provides that the Commodity Credit Corporation, with the approval of the Secretary of Agriculture, may utilize the services, facilities, and personnel of the Department of Agriculture in the administration of the wheat loan provisions. This includes the services of the State and County Agricultural Conservation Committees, Secretaries of the County Agricultural Conservation Associations, and State Administrative Officers. Since the State Committees and State Administrative Officers will be responsible for the administration of the loan program in the State, and the County Committees and County Association Secretaries will be responsible for the administration of the program in the counties, it is important that these officials become fully familiar, as early as possible, with the regulations, requirements, and procedure pertaining to these loans.

There is outlined in this leaflet the instructions and procedure to be followed by producers in applying for loans, and by State Administrative Officers, State and county committeemen, producers, inspectors, and others in executing all documents pertaining to such loans.

PART I. GENERAL OUTLINE OF THE ADMINISTRATION
OF THE PROGRAM

Section 1. State Office.— (a) The State Agricultural Conservation Committee will:

1. in cooperation with the State Administrative Officer, have general supervision of the wheat loan program in the State;

2. approve or disapprove wheat inspection fees recommended by each County Committee;

3. render final decision in the event of any question or controversy regarding any producer's eligibility for a loan, eligibility of storage structure, grades of wheat, or any other question pertaining to wheat loans;

4. approve or disapprove the appointment of county wheat inspectors and terminate appointments of county wheat inspectors, if for any reason their work is found to be unsatisfactory.

(b) The State Administrative Officer will:

1. have direct supervision of the administration of the field work and State office work in connection with the loan program;

2. designate State agricultural conservation program field supervisors already employed by the Agricultural Adjustment Administration in the State to assist the county committeemen and county wheat inspectors in the administration of the loan program in the counties;

3. check the duplicate copies of the wheat inspector's work sheets as they are received in the State office to determine whether questionable storage structures for collateral wheat are being approved in the counties;

4. submit to the Agricultural Adjustment Administration and to the Commodity Credit Corporation such reports on loans as may be required.

(c) Field Supervisors will:

1. instruct and assist county committeemen, county agricultural association secretaries, county wheat inspectors, and others in organizing and carrying out the Wheat Loan Program in the counties;

2. instruct county committeemen, county wheat inspectors, and county agricultural association secretaries regarding the proper procedure in completing loan documents;

3. train and instruct county wheat inspectors in the inspection of farm storage structures and in the proper methods of taking and handling samples of grain for grading;

4. make periodic spot reinspections of a number of farm bins or granaries inspected by each county wheat inspector.

Sec. 2. County Office.- (a) The county agricultural conservation committee, together with the Secretary of the county association will:

1. be directly responsible for the administration of the loan program in the county;

2. with the assistance of the other officers of the association, explain the Wheat Loan Program to producers and assist applicants in the preparation and completion of the necessary loan documents;

3. review all loan documents to make sure that they are properly executed;

4. determine the eligibility of the producers for loans and the eligibility of bins and granaries as storage for collateral wheat;

5. appoint wheat inspectors subject to the approval of the State committee;

6. estimate the cost of the administration of the loan program in the county and determine the rate per bushel for inspection subject to the approval of the State committee;

7. direct the expenditure of funds collected as loan fees from applicants;

8. determine when reinspection of farm-stored wheat shall be made and supervise such reinspection (such reinspection to be made at intervals of not less than 60 days);

9. purchase necessary supplies and equipment for the administration of the loan program.

(b) County Wheat Inspector.

1. The county wheat inspector shall be appointed by the county committee subject to the approval of the State committee.

2. He shall be a resident of the county in which he is appointed.

3. He shall work in the capacity of wheat inspector only at such times as directed by the county committee or secretary of the county association.

4. He shall be paid at the rate of \$5.00 per day for the time actually worked. This rate to include reimbursement for travel in connection with inspection work.

5. His duties shall include the inspection of farm storage structures where the collateral wheat is stored on the farm; securing samples of farm-stored grain and forwarding samples to the State laboratory for testing.

(c) The Treasurer. The treasurer of the county agricultural conservation association shall collect the loan fees from applicants and shall keep such necessary records of receipts and disbursements as are or will be required by instructions and regulations.

Sec. 3. Fees. - A minimum inspection fee of \$3.00 shall be charged for each loan on farm-stored wheat, and shall be paid by the applicant to the Treasurer of the County Agricultural Conservation Association before inspection of the bin or granary is made. If the loan is completed, this amount will be applied on the total inspection fee; but if the loan is not completed, the \$3.00 fee shall be forfeited. The total fee will be based on a per-bushel inspection charge not exceeding 2¢ per bushel (the exact rate to be determined by the State committee upon recommendation of the county committee), but in no case shall the total fee per farm exceed \$20.00. This fee (less the preliminary fee) is payable upon the completion of the loan documents, but may be paid from the proceeds of the loan by so stating on the "Producer's Letter of Transmittal" (CCC Wheat Form C). A loan fee of \$1.50 per application shall be paid to the association treasurer by each producer securing a loan on wheat stored in approved elevators. This fee is to be paid prior to the completion of the loan documents.

All collections and disbursements will be reported in the same manner and on the same forms as any other collections and disbursements of the county agricultural conservation association. Detailed instructions on methods of collection, auditing, and other fiscal matters under the wheat loan program will be given in a later leaflet.

Sec. 4. Wheat Testing Laboratories. - It will be necessary to make moisture, grade, and dockage determinations on samples of farm-stored wheat offered as collateral for loans. These determinations on samples of farm-stored wheat from bins in Oklahoma and Texas will be made by a grain inspector, licensed under the United States Grain Standard Act or the United States Warehouse Act, designated by the Director of the Southern Division.

Wheat inspectors will forward all grain samples to the designated inspector immediately after the sample is taken. The cost of testing this wheat will be 50 cents per sample. This fee will be paid by the county association of the county in which the wheat is stored from funds collected as loan fees from applicants.

PART II. ADMINISTRATION OF THE PROGRAM

Section 1. Applicants. - Producers who desire to make application for wheat loans should be instructed to do so at the office of the county agricultural conservation association where the county committee or the Secretary of the association will outline the necessary procedure in making wheat loans and will discuss with them the requirements for eligible wheat, eligible storage, and other matters pertaining to the loan program. The committee will also make a determination as to the eligibility of the producer for a loan and will make a preliminary determination as to the eligibility of his wheat and storage structure.

Sections 2 and 3 of the Loan Agreement and Chattel Mortgage (1938 CCC Wheat Forms A and B, respectively) and section 1 of the "Instructions Concerning the Making of Loans" (CCC Wheat Form 1 (hereinafter referred to as Wheat Form 1)) outline requirements for eligibility for loans and should be thoroughly understood before any determination relating to eligibility is made. If the wheat is to be stored on the farm the committeemen should question the applicant regarding the condition of the storage structure in which the wheat is or will be stored. Careful questioning of applicants by the committee regarding the condition of their storage structures will eliminate, without inspection, the producers whose storage structures are obviously ineligible. If it is determined by the county committee that the wheat was produced by the applicant and if its determinations indicate that the applicant and the wheat are eligible for a loan, the county committee should instruct an inspector to make an inspection of the storage structure and wheat stored therein and complete AAA-WL-1938 Form 1 (hereinafter referred to as the work sheet).

Sec. 2. Eligibility. - (a) Eligible Producers. An eligible producer is a producer on a farm where the total acreage of soil-depleting crops in 1938 on the farm producing the wheat is not in excess of 105 percent of the total soil-depleting acreage allotment established for the farm under the 1938 Agricultural Conservation Program. The above will be determined by the committee by checking form SR-213, "Report of Performance", and by checking form SR-204-G-A, "County Listing Sheet for General Crops (Including Wheat) on Class A Farms", for the total soil-depleting acreage allotment established for the farm. If form SR-213 for the farm has not been sufficiently completed to make this determination, arrangements should be made for such completion at the earliest possible date. To be eligible for a loan a producer must have produced the wheat himself in his capacity as landowner, landlord, or tenant.

(b) Eligible Wheat. Wheat, in order to be eligible for a loan, must have been produced in 1938 by an eligible producer and must be of the acceptable grades as shown in section 1 of Wheat Form-1.

(c) Eligible Storage. Eligible storage includes (1) elevators and warehouses licensed under the Federal Warehouse Act, (2) other elevators and warehouses approved by the Commodity Credit Corporation in accordance with instructions as outlined in CCC Wheat Form 1, and (3) farm bins and granaries approved by the county committee as acceptable for storage of wheat as collateral for a federal loan. Before elevators and warehouses can be approved as eligible they must enter into an agreement with the Commodity Credit Corporation on a form which may be obtained from the loan agency of the Reconstruction Finance Corporation. Farm bins and granaries must be of such substantial and permanent construction as will permit the storage of wheat in them without loss in quantity or quality, afford protection against thieves, rodents, and weather, permit effective fumigation for the destruction of insects, and provide reasonable protection against loss by fire or wind. Specifications for farm storage may be obtained from circular 38-Wheat 1, "Wheat Storage in the Ever-Normal Granary".

Sec. 3. Liens.- Liens on wheat in farm storage must be secured by a chattel mortgage on the wheat. The county wheat inspector will secure from the applicant the name of all persons having liens on the wheat offered as collateral. These liens will be listed in item 15 of the work sheet. Prior to the completion of the loan documents the county committee should make certain that no prior liens of record exist on the wheat for which the loan is requested except those liens for which waivers are secured in section 9, Wheat Form A, and section 10, Wheat Form B. This will be ascertained by the county committee by checking the list of applicants against the liens on the 1938 wheat crop on record in the county clerk's office. Where a lien(s) exists on the wheat offered as collateral, the applicant must give the names of the lien-holder(s) and must secure a waiver(s) in the space provided in section 10, Wheat Form B, or section 9, Wheat Form A, before the application for a loan can be completed. Although it is the duty of the producer to secure the waivers, the county office may perform this service for him in order to avoid delay in the completion of the loan documents.

The following instructions are issued at the request of the Commodity Credit Corporation to advise the county committee as to the requirements of the corporation for the execution, delivery, and filing or recording of chattel mortgages in each State covering wheat stored on the farm and inspected and sealed under the authority of the committees. At a later date instructions will be issued in regard to taking of possession of mortgaged wheat and the release of chattel mortgage.

Since the loan provisions will be administered by the Commodity Credit Corporation through the loan agencies of the Reconstruction Finance Corporation, each county committee is

requested to forward any inquiries regarding the execution and filing of notes and mortgages to the respective loan agency of the Reconstruction Finance Corporation serving the districts in which the committee is situated. All notes and chattel mortgages must also be forwarded to such loan agency for approval and disbursement of funds. The "Certification of True Copy" must be completed on the duplicate copy of all mortgages filed for record. Prior to disbursement, the receipts of the county clerk must be completed and executed on the original mortgage designating the date of filing or recordation. In those instances in which chattel mortgages must be filed in both the county in which the mortgagor resides and in the county in which the wheat is stored, a triplicate copy of the mortgage must be used for this purpose and an additional receipt for the county official typed or stamped on the original mortgage. Except where required for filing, the triplicate copy of the mortgage should be delivered to the mortgagor. In case the triplicate copy is used for filing the mortgagor should be given a copy of the mortgage which may be completed on any one copy of the form. Each mortgage must be limited to wheat stored in the same county and a separate mortgage completed for wheat stored on each quarter section. In States in which acknowledgments or affidavits are required, all copies should be completed in full. Unless acknowledged, all mortgages must be executed in the presence of one witness, except as stated otherwise. All documents must be carefully examined for compliance with the requirements listed below.

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The mortgage must be properly executed and acknowledged by the mortgagor in the presence of a notary public or officer authorized to administer oaths. The Commodity Credit Corporation will not accept any note secured by a mortgage wherein the execution has been witnessed and not acknowledged. The duplicate copy of the mortgage must be filed for record in the office of the county clerk of the county in which the wheat is stored.

TEXAS

The mortgage must be executed by the mortgagor either in the presence of two witnesses or it must be acknowledged before an officer qualified to take the acknowledgments. The duplicate copy of the mortgage must be filed for record immediately in the office of the county clerk of the county in which the mortgagor resides; or, if the mortgagor is a non-resident of the State, it must be filed in the office of the county clerk of the county in which the wheat is stored. The Commodity Credit Corporation will not accept any note secured by a mortgage filed for record later than 10 days after the date of the note and mortgage.

Sec. 4. Consent for Storage. - If the borrower is a tenant and the wheat he is offering as security for a loan is stored on the farm of a landlord, the form "Consent for Storage", provided in section 11, Wheat Form A, must be executed by the landlord if the expiration date of the farm lease is prior to August 1, 1939.

Sec. 5. Completion of Note and Chattel Mortgage or Loan Agreement. - Where wheat is stored on a farm the wheat producer's note and chattel mortgage are to be prepared in the county office. However, it is not necessary that the form be signed in the county office. Each wheat producer's note will be given a serial number which is to be used in connection with the State and county code numbers. (The State and county code numbers will be the same as used in connection with the Agricultural Conservation Program.) Such serial numbers shall begin with 1 and be assigned consecutively to the loan documents in the order in which they are completed. The space provided for "Custodian No. ___" is for use by the Commodity Credit Corporation and no entry shall be made in the county office. The amount in figures, and in the body of the note, should agree and not be more than the computed loan value of the wheat offered as collateral. The signature of the producer should be the signature he customarily uses in signing all documents. It is not necessary that the producer's signature be witnessed unless the producer signed by mark (X). The signature of the producer should agree with the name of the producer as entered in section 1 of the chattel mortgage. The producer's post office address and the name of the county and State must be entered. The amount of the loan in dollars should conform to the amount listed in the note above. Section 1 of the chattel mortgage (Wheat Form A) requires (1) the legal description of the premises on which the wheat is stored; (2) the seal number(s) on the bin(s); (3) the number of bushels of wheat in the bin(s); (4) the grade(s); (5) the subclass(es) of the wheat; (6) the loan value per bushel of the wheat in each bin; and (7) the maximum total loan value of said wheat. The amount of the loan in dollars must conform to the amount shown on the note. Paragraph (c) of section 3 of the chattel mortgage requires that information regarding the status of tenancy be reported. The information recorded in this paragraph is necessary for the completion of section 11 if the applicant is a tenant and is obtaining a loan on wheat which is stored on the farm where the expiration date of the farm lease is prior to August 1, 1939.

Section 5 must show the point to which the producer agrees to deliver the wheat on maturity of the note. Section 9 provides for the signature of the applicant and the witnesses, and acknowledgment. The producer's signature on the mortgage must agree with his name as written in section 1 of this form and with the signature on the note. In Oklahoma and Texas it will not be necessary for the spouse of the borrower to sign the chattel mortgage. If any of the loan documents are signed by an agent of the owner, the duly executed authority of such agent must be firmly attached

to the documents. If the loan documents are signed for a corporation by the designated agent of the corporation who is customarily authorized to execute legal documents, the authority for such signature need not be attached.

Section 10 provides for the listing of liens and waivers of such liens. The names and signatures in this section must be the same as on the recorded liens. Section 12 provides for the certification by a member of the county agricultural conservation committee designated by the State agricultural conservation committee to sign for and on behalf of the county committee. In cases where the county committee is of the opinion that the loan should not be granted, this form should not be signed by the committeemen. However, if requested by the applicant, this form may be sent to the State office for review by the State committee, together with an explanation for the failure to approve the loan.

Sec. 6. Wheat Stored in Warehouses. - Where the wheat offered as collateral for a loan is stored in a warehouse approved by the Commodity Credit Corporation, the "Wheat Producer's Note and Loan Agreement" (1938 CCC Wheat Form B) are to be prepared in the county office. It is not necessary that the producer sign the note in the county office, but it is important that the county office secure the name of the bank or lending agency through which the producer plans to obtain the loan in the event the loan is not made direct. If the note is not made direct by the Commodity Credit Corporation, the local lending agency will be named as payee. The number of bushels of wheat offered as collateral security for the note will be the number of bushels indicated on the warehouse receipt(s). The names of the State and county, the producer's name and address, the amount of the loan, and the name of the payee as shown on the loan agreement, must be the same as they appear on the note. The spaces provided for the following items in "The Schedule of Warehouse Receipts", (a) Warehouse receipt number, (b) Grade and subclass of wheat, (c) Percent of smut, (d) Per bushel loan value of the wheat, (e) Number of bushels of wheat, and (f) Amount of the loan, should be filled in to show the requested information. The county committee should make sure that all wheat secured by the producer's note is in the same warehouse. Where the wheat is stored in two or more warehouses, a separate "Note and Loan Agreement" shall be executed for the wheat stored in each warehouse. In section 2(a) state whether the producer is a landlord, landowner, or tenant. If the producer is a tenant, the landlord must sign the waiver in section 9. Section 9 of the loan agreement provides space for the listing of lien-holder(s) and for the waiver(s) of lien-holder(s). This section must be completely filled in before the loan can be approved.

Sec. 7. Insurance. - There are two types of insurance used in connection with wheat loans, referred to respectively as

"primary" and "secondary". If the wheat is stored on the farm the producer must obtain the primary insurance at his own expense and keep the collateral wheat covered by such insurance as long as the loan remains unpaid. This insurance must afford protection against loss by fire, lightning, cyclone, tornado, and windstorm, and must be an amount for not less than the loan plus accrued interest and charges to the date of maturity. The producer must furnish evidence, in the form of a "Certificate of Insurance", that the wheat is covered by insurance as described above. A form of this certificate is shown at the end of CCCWheat Form 1. In the case of wheat stored in approved warehouses, the cost of this primary insurance will be included in the storage costs and will be a charge against the wheat.

The secondary insurance is a blanket policy provided by the Commodity Credit Corporation. This insurance protects the Commodity Credit Corporation against loss on pledged wheat by reason of errors and omissions, and certain other risks not covered by the primary insurance carried by the producers and warehousemen. The cost of this secondary insurance is 0.9¢ per \$100 per month on the daily average balance of loans carried by the Commodity Credit Corporation. The charge made to the borrower is only for the period of time that the loan is carried by the Commodity Credit Corporation.

Sec. 8. Direct Loans.-- If the producer stores his wheat in an approved warehouse, it is contemplated that he will obtain a loan from a bank or other local lending agency which in turn may sell the papers to the Commodity Credit Corporation. However, he may present the "Note and Loan Agreement" directly to the Commodity Credit Corporation as provided in section 16 of Wheat Form 1. In the event a producer presents his "Note and Loan Agreement" directly to the Commodity Credit Corporation, the corporation will be designated as payee on Wheat Form B. The producer will deliver the "Note and Loan Agreement", together with CCC Wheat Form C, "Producer's Letter of Transmittal", to the loan agency of the Reconstruction Finance Corporation serving his district, prior to December 31, 1938. In the case of loans on farm-stored wheat, the loans must be made direct by the Commodity Credit Corporation through a loan agency of the Reconstruction Finance Corporation.

Sec. 9. Appeals.-- If any person shall feel aggrieved by any action of the county committee with respect to his wheat loan application, he may submit such application to the State committee for review any time within 15 days after its rejection by the county committee. The State committee shall, as soon thereafter as possible, cause an investigation to be made at such place as shall be desirable and proper, giving consideration to the character of the controversy and the locality of the stored wheat and the residence of the parties involved.

PART III. PREPARATION OF WORK SHEETS,
INSPECTION OF BINS AND GRANARIES AND
THE TAKING OF REPRESENTATIVE SAMPLES
OF WHEAT

Inspectors shall follow these instructions in completing the "Inspector's Work Sheet", making inspection of and classifying the various parts of a granary structure, taking wheat measurements and representative samples, and transmitting the wheat samples to the State testing laboratory for moisture and grade determination. Inspectors should suggest to the producers the necessary repairs and improvements, if any, in order that their granaries conform to the requirements. A work sheet must be completed for each granary containing wheat offered as collateral for a loan. The State and county code numbers and the seal number of the bin shall be placed in the space provided in the upper right hand corner of the work sheet when the inspection of the bin is completed.

Section 1. Grade Determination Certification. When the moisture, grade, and test report is returned to the county committee from the State testing laboratory, the data contained in such report shall be transferred to the appropriate spaces in the "Grade Determination Certification" at the top of AAA-WL- Form 1. It will not be necessary for the State committee to sign the grade determination.

Sec. 2. Inspection of Storage Structure and Completion of Work Sheet. - Item 1. Print the borrower's name as it is to appear on the note and chattel mortgage. The borrower's post office address must be given. Indicate whether the borrower is the owner or tenant by striking through the word not applicable.

Item 2. Give the distance and general direction from the nearest city or town and the legal description of the property upon which the granary is located.

Item 3. A separate structure especially constructed for grain storage is desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. Storage of wheat in a building designed for other purposes is generally objectionable. A bin built in livestock quarters where the wheat may absorb moisture or odors should not be approved as eligible storage for wheat collateral.

Granaries built as parts of machine sheds and other buildings not housing livestock, may be acceptable. The producer should be instructed to take extra precaution to protect the wheat in such granaries from rodents. If the granary is not a part of the farmstead group of buildings and is in a somewhat isolated location,

extra precaution should be taken by the producer to prevent theft of the wheat collateral. Granaries located on river or creek bottom land, subject to overflow, are not suitable storage structures for storage of wheat on which loans are desired and should not be approved for that purpose.

Indicate the kind of structure, if any, in which the bin is located, the distance in feet of the structure from the nearest building whether the storage structure is a part of the farmstead group, and whether the land on which the structure is located is subject to overflow.

Construction of Bin or Granary.

Item 4. A bin or granary to be acceptable for a loan must, (1) hold the grain without loss of quantity; (2) protect the grain from rain, snow, and ground water; (3) provide reasonable protection from damage by birds, mice, rats, and other animals; (4) be adapted to fumigation for the destruction of insects, and (5) provide reasonable protection against loss by fire or wind. Bins which do not meet these requirements can often be made acceptable at a reasonable cost by repairing or rebuilding.

Item 5. A good foundation is very essential to the durability and usefulness of a granary. One of the most satisfactory types of foundation is a concrete wall extending into the ground below the frost line and above the ground by at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small granaries but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Since wood sills and piers frequently used for small granaries are always subject to rapid decay, granaries with foundations of this type should not be approved for a loan unless the sills and piers are in an acceptable condition. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 6. Solid concrete floors should extend at least 12 inches above the ground level. Low, concrete floors are not desirable in that they may become wet and cause the wheat in the bottom of the bin to spoil. Such floors should be covered with board overlays on wood joists, and the space between the concrete and the board floor left open to allow ventilation, and the openings screened to keep out rodents.

Steel granaries are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such granaries with wheat is to lay a board floor on the metal in order to prevent the wheat in the bottom of the granary from spoiling.

Item 7. Granary walls must be tight. It is preferable that farm bins be constructed with two thicknesses of material on the outside of the studs, and a layer of good paper between. Single walls of plain boards may be made weather-tight by applying building paper and an additional layer of siding or by a lining of matched boards on the inside of the studs, starting 4 inches above the floor. All holes where rodents may enter should be blocked. In case a wall which is structurally sound cannot be made practically gas tight without undue expense, it should be lined with a strong grade of odorless paper. Masonry walls should be thoroughly pointed up and waterproofed to prevent rain driving through. Unless the wall is dry, it should be furred and lined with matched lumber or plywood with an opening at the bottom for cleaning. Metal bins or granaries should be thoroughly examined for loose or missing bolts and all joints must be tightly drawn.

Item 8. The inspector should ascertain that the roof is tight, substantial, and well nailed. Tar paper and other types of roll roofing are subject to wind destruction and ordinarily are not satisfactory as a permanent roof.

Item 9. All doors and windows must be weatherproof and safe against leakage of grain. All other openings should be fastened inside or nailed shut. All doors and openings in contact with the wheat should be tight enough to hold fumigating gases. Unless practically gas tight, they should be covered inside with tough, odorless paper overlapping the opening. If there is storage space above the bin, a tight ceiling should be provided to protect the grain from foreign material.

Item 10. If the inspector finds any evidence of heating, smut, garlic, mustiness or other undesirable condition, he should indicate such in this item and give the extent of such undesirable conditions in his remarks. He should also determine, if possible, whether wheat previously stored in the bin or granary has been damaged by insect infestation. If he finds that it has, a statement regarding such infestation should be included in his remarks.

Measurements and Quantity Determination.

Item 11. All figures listed under this item should reflect accurate measurements, not estimates. The measurements of the wheat bin must be inside measurements and must be taken very carefully. Before measuring the height of the wheat in the bin, the inspector should insist that the wheat be leveled off evenly and should personally chalk mark the wheat line on the inside of the bin. Extreme care should be taken in measuring the diameter of a round bin or granary. The inspector should get inside the bin or granary on top of the wheat to measure the

inside diameter of the bin or granary and the diameter of the ventilator, if any.

Item 12. The volume of a rectangular bin or granary is expressed in cubic feet, and is computed by multiplying the width by the length by the height.

The volume of wheat in a round bin or granary may be computed by multiplying the inside diameter of the bin by 1.57 times the height. For a round granary or bin having a round ventilator, the volume may be computed as follows: (a) Add the inside diameter of the bin to the outside diameter of the ventilator; (b) subtract the outside diameter of the ventilator from the inside diameter of the bin; (c) multiply the sum obtained in item (a) by the remainder obtained in item (b); (d) multiply the result obtained under item (c) by the height of the wheat in the bin; (e) multiply the result obtained in item (d) by .7854, the result of this computation is the volume of the wheat in the bin in cubic feet.

Item 13. Where bins or granaries of any type contain chutes, ventilators, studs, crossties, etc., which take up space included in the overall measurements of the wheat, careful measurements should be taken and the total volume in cubic feet should be shown in item 13.

Item 14. Deduct the entry in item 13 from the entry in item 12. The result is the volume of stored wheat in cubic feet. These items may be converted to bushels by dividing the number of cubic feet by 1.25, or by multiplying by 0.8, either of which will give the result in bushels. If determined by weight, a bushel shall be sixty (60) pounds of clean wheat, free of dockage.

Item 15. List the names of all lien-holders.

Item 16. If the producer is a tenant, indicate the date of the expiration of his farm lease.

Item 17. If the producer is a tenant, enter the landlord's name and address.

Item 18. Indicate the delivery point at which the producer agrees to deliver the wheat at the maturity date of the loan or if the loan is called before maturity.

If the inspector believes the wheat and storage structures are acceptable for a loan, he should close the bin and attach the official seal thereon before leaving the premises. At the time the inspector attaches the seal to the bin or granary he should place a number upon the seal in the space provided therefor and enter the same number in the space provided in the upper right-hand corner of

the work sheet. He should then sign the certification provided in the work sheet and deliver it to the county office. The original will be filed in that office and the duplicate mailed to the State office.

Computation by County Committee in Determining the Amount of the Loan.

Items 19 to 24 inclusive will be completed by the county committee upon the receipt of the work sheet from the county wheat inspector. The amount of the loan shall be determined in accordance with section 6 of Wheat Form 1. All calculations made in arriving at items 12, 13, and 14 of the work sheet should be recomputed in the county office. The number of cubic feet of wheat as indicated in item 14 of the work sheet should be divided by 1.25 or multiplied by 0.8, either of which will give the number of bushels of wheat, if the test weight is 60 pounds per bushel. If the test weight per bushel is 60 pounds or more, the entry in item 14 will be carried forward to items 19 and 21.

Item 19. The number of bushels of wheat listed in item 14 should be entered here.

Item 20. In case the test weight of the wheat is less than 60 pounds per bushel, the appropriate adjustment factors provided in section 5 of Wheat Form 1 should be inserted here.

Item 21. The entry in this item is the result obtained by multiplying the number of bushels shown in item 19 by the factor in item 20.

Item 22. The percent of dockage, if any, as shown by the grade determination, should be added to the 5 percent safety margin. (This 5 percent deduction for safety margin is made to allow for shrinkage of the wheat).

Item 23. This item is the result obtained by multiplying item 22 by item 21.

Item 24. This item is the result obtained by subtracting the entry in item 23 from the entry in item 21 and represents the net number of bushels of wheat to be entered in section 1 on Wheat Form A.

Sec. 3. Taking Representative Sample. The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with a government approved grain probe, and a 66" x 30" sampling cloth for taking the wheat samples. The inspector must get in the bin on top of the wheat and take the sample from at least five places in the bin, being careful in each instance to thrust the probe to the full depth of the wheat. If the wheat is over five feet in depth, it may be necessary to shovel aside some of the wheat in order that the probe may be thrust to the bottom of the bin.

The wheat samples from the probe must be carefully emptied on the sampling cloth in parallel lines so that each portion can be carefully examined. If the inspector finds that the wheat is heating, is infested with insects, or is otherwise obviously below the required grade requirements, he shall not recommend the wheat as collateral for a loan, and shall so inform the producer. The producer may fumigate, turn, clean, or otherwise condition such wheat so that it may be acceptable at a later date.

If it appears from the above inspection that the wheat is satisfactory, the inspector should thoroughly blend the various samples immediately and mail 4 pounds of the blended sample to the designated wheat testing laboratory at once in the moisture-proof container and shipping bags supplied by the county committee. The total weight of the sample and container must not exceed four pounds, which is the weight limit for the franking privilege under postal regulations. A supply of letters for the transmittal of grain samples to testing laboratories, signed by the President of the County Agricultural Conservation Association, should be in the possession of each inspector in order that wheat samples may be placed in the mail without undue delay. The inspector should be certain that a properly prepared letter of transmittal accompanies the sample. This letter must be inserted between the Kraft envelope and the cellophane envelope containing wheat samples, so that the letter will not absorb moisture from or impart moisture to the sample. The Kraft envelope containing the wheat sample should be placed in the canvas shipping bag. Samples of wheat must be mailed the same day they are taken.

PART IV. THE FOLLOWING OUTLINE PRESENTS THE
VARIOUS STEPS INVOLVED IN CONNECTION
WITH MAKING A WHEAT LOAN AND IS
SUPPLIED AS A GUIDE FOR PRODUCERS
AND COUNTY AGRICULTURAL CONSERVATION
ASSOCIATION COMMITTEES

1. PRODUCER inquires at the county office for information regarding a loan.

2. COUNTY OFFICE REPRESENTATIVE discusses the following items with the producer:

(a) His eligibility for a loan.

(b) Eligibility of the producer's wheat as collateral for a loan.

(c) Eligibility of the bin or warehouse in which the producer's collateral wheat will be stored.

3. PRODUCER signifies his intention to make application for a loan.

4. PRODUCER, if he intends to store the collateral wheat on his farm, agrees to make the granary or bin meet necessary requirements.

5. PRODUCER, if the wheat is stored on the farm, pays the preliminary inspection fee of \$3.00. Upon completion of the loan documents, the applicant shall pay the remainder, if any, of the inspection fee. The maximum fee shall be 2 cents per bushel and not to exceed \$20.00 for each application. The minimum fee will be \$3.00 per application. If the wheat is stored in an approved warehouse, a loan fee of \$1.50 per application will be paid by the producer.

6. WHEAT INSPECTOR. If the collateral wheat is stored on the farm, the inspector will do the following:

(a) Visit the farm on which the applicant's collateral wheat is stored and inspect the wheat and the bin or granary in which it is stored.

(b) Take representative sample of the wheat for grading and moisture test and place sample in container for mailing to State testing laboratory.

(c) Fill out letter of transmittal for grain sample, which has been previously signed by the President of the County Agricultural Conservation Association.

(d) Take measurement of bins and complete work sheet.

(e) Securely close the bin or granary and seal with the official seal of the Government of the United States.

(f) Mail to the designated wheat testing laboratory, the sample taken of the applicant's wheat, together with a self-addressed franked return envelope and a letter of

transmittal signed by the President of the County Agricultural Conservation Association.

(g) Mail or deliver to the county committee both completed copies of AAA-WL Form 1.

7. COUNTY COMMITTEE. The county committee will then proceed as follows:

(a) Receive from designated wheat testing laboratory the report on the grade and moisture test of the applicant's wheat.

(b) Transfer information from wheat tester's report to appropriate spaces at the top of AAA-WL Form 1 (work sheet).

(c) Carefully review the wheat inspector's work sheet to determine the eligibility of the storage structure.

(d) Mail the duplicate copy of AAA-WL Form 1 (work sheet) to State office.

(e) If the wheat or the farm storage structure is on the borderline of acceptability, the county committee may order a reinspection of the wheat or the storage structure, before approving the application for loan.

(f) Notify applicant by mail of acceptance or non-acceptance of his application.

(g) Check chattel mortgage records in the office of the county clerk to determine if there are any recorded liens against the wheat offered by the applicant as collateral for loan. (This may be done by an employee of the county office designated by the county committee.)

(h) Prepare "Note and Chattel Mortgage" (CCC-Wheat Form A), or "Note and Loan Agreement" (CCC-Wheat Form B), for signatures.

(i) Prepare copies of "Producer's Letter of Transmittal", if the wheat is in farm storage or if in elevator storage and the producer desires a direct loan.

8. APPLICANT. The applicant for loan then proceeds as follows:

(a) If he is a tenant and the wheat is stored on the farm, he will have the landlord execute the landlord's "Consent for Storage" (Section 11, Wheat Form A).

(b) Obtain waiver(s) from lienholders in section 10, Wheat Form A, or section 9, Wheat Form B.

(c) If the wheat is stored on the farm, obtain from the insurance company the certification showing that the collateral wheat is covered by the required insurance and submit this certification to the county committee.

(d) Sign "Wheat Producer's Note and Chattel Mortgage", if wheat is stored on the farm, or "Wheat Producer's Note and Loan Agreement", if wheat is stored in an approved elevator.

(e) Submit to the county committee all necessary documents relating to his application.

9. COUNTY COMMITTEE. The county committee proceeds as follows:

(a) Completes examination of all necessary documents relating to the application.

(b) Certifies the chattel mortgage or the loan agreement, and files chattel mortgage in office of county clerk.

(c) If the wheat is stored on the farm, files the wheat inspector's work sheet and wheat grade and test report. If the wheat is stored in an elevator or warehouse, attaches the warehouse receipts securely to the Note and Loan Agreement (Wheat Form B).

(d) Makes record of all loans completed and sends weekly reports to the State office, at intervals to be set by the Agricultural Conservation Committee showing the number of loans approved, the amounts of such loans, and the number of bushels and the grade and subclass of the wheat approved as collateral in each case.

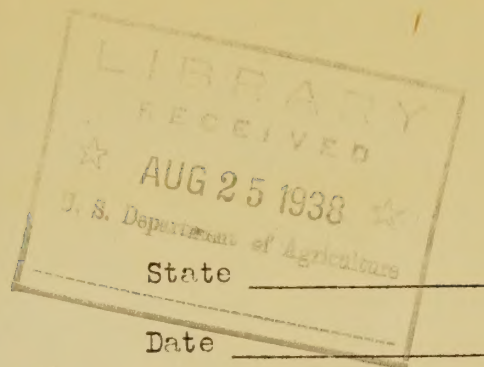
10. THE APPLICANT. The applicant proceeds as follows:

(a) Pays balance due on his loan fees, if any balance is due. In the case of farm stored wheat he will, with the assistance of the county committee, forward to the loan agency of the Reconstruction Finance Corporation serving his district the signed and completed "Wheat

Producer's Note and Chattel Mortgage" (1938-CCC Wheat Form A), together with the "Producer's Letter of Transmittal" (Wheat Form C). The proceeds of the loan will be mailed the producer by the loan agency of the Commodity Credit Corporation as specified in the "Producer's Letter of Transmittal". If the wheat is stored in an elevator and the producer desires a loan from a local bank or other lending agency, he submits "Wheat Producer's Note and Loan Agreement" (1938 CCC Wheat Form B) to the local lending agency for payment, or if the loan is made direct, Wheat Form B, together with Wheat Form C should be forwarded to the Reconstruction Finance Corporation as shown above.

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Form SRM-229
U. S. DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Southern Division
July 23, 1938



REPORT ON APPLICATIONS FOR PAYMENT
1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN
SOUTHERN REGION

A. Applications Received by State office:

1. Total number received from counties _____
2. Total suspensions to counties _____
3. Net receipts (Item 1 minus Item 2) _____

B. Applications Vouchered for Payment:

4. Total certified to G.A.O. \$ _____ number _____
5. G. A. O. Differences \$ _____ number _____
6. Net certified to G.A.O. \$ _____ number _____

C. Inventory in State office:

7. Net inventory on hand (Line 3 minus line 6) _____

Signed _____
Officer in Charge

(Report to be prepared at close of business each Wednesday and mailed so as to reach Southern Division not later than the following Friday night.)

11/11/11

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
540 EAST 58TH STREET
CHICAGO, ILL. 60637

REPORT ON THE PROGRESS OF THE WORK
DURING THE YEAR 1911

1. The work of the department during the year 1911 has been devoted to the study of the properties of the various forms of carbon, and to the determination of the conditions under which they are formed. The results of this work are given in the following tables.

Form of Carbon	Conditions of Formation	Properties
Graphite	High temperature, low pressure	Conducts electricity, soft, lubricating
Diamond	High temperature, high pressure	Does not conduct electricity, hard, transparent
Amorphous carbon	Low temperature, low pressure	Does not conduct electricity, soft, black

2. The work of the department during the year 1911 has also been devoted to the study of the properties of the various forms of carbon, and to the determination of the conditions under which they are formed. The results of this work are given in the following tables.

Form of Carbon	Conditions of Formation	Properties
Graphite	High temperature, low pressure	Conducts electricity, soft, lubricating
Diamond	High temperature, high pressure	Does not conduct electricity, hard, transparent
Amorphous carbon	Low temperature, low pressure	Does not conduct electricity, soft, black

Prepared by the Department of Chemistry, University of Chicago, 1911.